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DESTINATION
KOREA

Opening Markets for
U.S. Horticultural Products

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U.S. DEPT. OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

Taiwan Team Visits U.S. Rendering Industry

The **National Renderers Association (NRA)** recently sponsored a team visit by officials of Taiwan's Bureau of Standards to rendering industry sites in five U.S. states, as well as the Food and Drug Administration and NRA headquarters. Taiwan is the largest buyer of U.S. rendered protein meals in the world. U.S. exports during fiscal 1985 were 66,786 metric tons.

This visit was intended to improve Taiwan's decisionmakers' understanding of recent technical developments in production, handling and the use of anti-oxidation techniques in the manufacture of protein meals. Taiwan has since solicited the U.S. rendering industry to help rewrite Taiwan's import specifications, which may facilitate U.S. sales.

California Pistachio Promotion In Singapore

The **California Pistachio Commission**, together with seven supermarket chains and three processors, recently sponsored a two-month promotion of California pistachios in Singapore. Advertisements featuring pictures of pistachios, price specials and the slogan, "You Can't Say No to a Pistachio From California," were placed in the Singapore paper, the *Straits Times*, during this period.

In addition, promotional activities took place in 35 individual stores owned by the sponsoring supermarket chains. Each supermarket supplied a large area for display and accepted lower profit margins on pistachios during the promotion period. The sponsoring pistachio processors supplied the stores with pistachios for sampling. Sales of pistachios during the campaign amounted to approximately \$80,000. Encouraged by this, the local suppliers have all placed orders for California pistachios.

Japanese Consumers Learn From MEF Trade Booth

The **U.S. Meat Export Federation's (MEF)** Tokyo office sponsored a trade booth featuring the National Live Stock and Meat Board's (NLMB) Meat Nutri-Facts program at last fall's Yokohama Meat Pia Fair in Japan. (Nutri-Facts provide the nutritional content of various types of meat.) The Federation distributed Nutri-Facts beef and pork brochures that had been translated into Japanese. Large, Japanese-language Nutri-Facts wall posters were displayed, and a Nutri-Facts video was played. In addition, consumers tasted samples of U.S. beef and processed pork products.

More than 135,000 visitors attended the three-day fair, which promoted imported and domestic meat products in Japan. Following the fair, a major Japanese trade publication ran an article on the MEF and its distribution of Nutri-Facts information. As a result of the enthusiastic response, the Federation plans to use Nutri-Facts information in future consumer seminars and other promotions.

International Marketing Handbook Available From SUSTA

The **Southern United States Trade Association (SUSTA)** is now selling the second edition of the SUSTA International Marketing Handbook. The handbook furnishes the novice as well as the seasoned exporter with valuable suggestions, contacts and information concerning the international sale of food and agricultural products.

To obtain the new, updated version of the International Marketing Handbook, write: SUSTA, ITM Bldg., Suite 338, P.O. Box 228, New Orleans, LA 70103. The cost including postage is \$9.00 payable to SUSTA by check or money order.

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Liberalization Opens Doors in Korea



By Elizabeth Berry and K. H. Ahn

Long a major importer of bulk commodities, Korea is now moving gradually to permit imports of a number of horticultural products which face no direct local competition. Almonds, raisins, lemons, grapefruit, prunes and cherries are among the commodities that seem to have the brightest future.

The rate of growth in imports of these commodities will depend on the effectiveness of producers and exporters to promote their goods among Korean consumers and the food trade. Of course, success also will depend on the willingness of the Korean government to allow trade to proceed, unimpeded by new non-tariff barriers.

Duties on all imported food products remain very high (30-50 percent) and will tend to restrain market penetration of processed foods which face well-established competition from domestic manufacturers.

The following profiles will give growers and exporters an introductory look at marketing a number of commodities with good sales potential in Korea.

Exporters seeking names of possible importers of food products discussed in this article, or detailed information about the Korean market potential for other food or beverage items, are encouraged to telex K25823 SOLATO or write to the U.S. Agricultural Trade Office, APO San Francisco, CA 96301.

A strong commitment by exporters is essential to establishing trade in this market—Koreans are not interested in dealing with exporters who want to make a quick killing and get out of the market. (For an in-depth look at doing business in Korea, see *Foreign Agriculture*, August 1985.)



Raisins

Raisin imports have increased more than 600 percent in volume since liberalization on July 1, 1981. Although

the United States is still the predominant supplier, Turkey, Pakistan and Greece have taken considerable chunks of the market. Mexico also has begun offering stiff competition to California raisin exports.

Market structure: Raisins are imported by about six dealers who, in turn, sell the raisins to wholesalers, department stores and the Bakery Manufacturers Association. Wholesalers sell raisins to retailers or individual bakeries.

Trade barriers: Raisins are subject to a 50-percent tariff. Phytosanitary certification is not required.

Developing the market: The California Raisin Advisory Board conducts market development activities in Seoul through the offices of the U.S. Wheat Associates. Most activities are oriented toward institutional customers such as bakeries because raisins can be promoted along with wheat flour.

There is considerable room for developing the market for raisins as a nutritious snack food. Currently sold in 1-pound boxes, raisins packaged in smaller units (100-200 grams per package) would probably be more convenient and affordable for the average customer, thus opening the door on Korea's growing snack food market.

A well-coordinated advertising campaign, including media coverage, is needed to boost consumer awareness of raisins as a healthy snack food and to distinguish California raisins from those of non-U.S. origin.

Demand for raisins may also be stimulated through the school lunch program which the Korean government has just begun to develop.

Prunes

Following liberalization, Korea imported about \$30,000 worth of prunes in 1984. However, difficulty in merchandising these early imports resulted in a decline in imports to only \$1,000 for the first half of 1985.



Market structure: Prunes have been imported by three food dealers, although only one is currently active. Dealers move the prunes through channels which as yet are not well defined because the volume traded is still small.

As the trade grows, the marketing structure for prunes may develop in a pattern similar to the raisin market.

Trade barriers: A 50-percent tariff is imposed on prunes, with no reduction planned over the next five years. No phytosanitary certification is required.

Developing the market: The first step in creating consumer awareness is to establish a Korean name for prunes—now they are known as “dates” or “dried plums” and a variety of other misnomers.

An advertising campaign to develop this market could include in-store promotions, cooking demonstrations and advertisements in women's magazines and on television.

A network of importers and distributors should be positioned to fulfill consumer demand generated by well-executed promotion.

Prunes have been promoted successfully in Japan as concentrates and ingredients in nectars and medicines. Some elements of the Japanese market promotion campaign may be applicable to Korea.

The health and nutritional properties of prunes could be the key to this market. As with raisins, packaging in smaller units could help tap into the snack food market.

Lemons

Prior to liberalization in 1984, lemons could be brought to Korea only with the approval of the Ministry of Agriculture and Fisheries. This limited consumption to the hotel trade.

Following liberalization, the volume of lemon trade for the first half of 1985 exceeded the total for 1984. Most of the imports go to “up-market” restaurants and high-income households, as the 50-percent tariff level puts the retail price out of range for many Koreans.



Marketing structure: Three traders import lemons. After clearing customs, imported lemons are taken to a low-temperature warehouse in the Seoul Agricultural Wholesale Market, which supplies about 45 percent of all fresh fruits and vegetables in the Seoul area. At this market, the imported products are sold to wholesalers, department stores and supermarkets.

Trade barriers: Each shipment of lemons has been subject to special quarantine treatment since November 1985, due to concern about possible infestation by Mediterranean and Oriental fruit flies.

The Korean Plant Protection Office apparently is requiring that all citrus fruit of U.S. origin be subject to cold treatment (0 degrees plus or minus 0.5

degrees centigrade for 14 days)—a procedure which in some cases may hurt quality. The U.S. Agricultural Affairs Office in Seoul is working with USDA's Animal and Plant Health Inspection Service to resolve this problem.

A USDA phytosanitary certificate is also required.

Developing the market: One major West Coast grower cooperative is currently conducting market development activities in Korea. Promotion by other supplies could boost overall demand for lemons.

An advertising campaign could be developed to help generate consumer interest by targeting food editors, nutritionists, hosts of TV cooking shows, women's magazines and cooking demonstrations.

Grapefruit

Before liberalization on July 1, 1985, grapefruit was imported by air in small shipments for use almost exclusively by tourist hotels. Following liberalization, imports for general distribution have increased sharply with the advent of containerized shipments by sea.

The current retail price of about 1,000 won per piece (more than US\$1.00), makes grapefruit relatively expensive for many middle-class Koreans.

Marketing structure: Only a few importers have brought in grapefruits, selling them to department stores, supermarkets and wholesalers.

Trade barriers: Recent shipments of grapefruit, as with lemons, have been detained and required to undergo cold treatment. This treatment could result in serious quality problems for the grapefruit.

A USDA phytosanitary certificate is required.

Developing the market: Consumer awareness will be the key to promoting grapefruit in Korea. Demonstrations, including passing out samples in grocery stores, are essential.

Good ways to help build product awareness include media advertising, talk shows and complimentary fruit baskets.

Almonds

Prior to liberalization on July 1, 1985, almond imports had been subject to the control of the Administrator of the Office of Forestry, which set up annual quotas linking almond imports with chestnut exports. Almonds were subject to a surcharge of 200 won (about 25 cents) per dollar plus a 50-percent tariff.

These charges made almonds uncompetitive relative to peanuts and locally produced walnuts for use by bakeries and confectionery manufacturers.

Since liberalization, the 200-won surcharge has been removed, but the 50-percent tariff remains in effect. Considerable stocks existed as of November 1985, and these have dampened import demand in the short term.

The price of almonds imported before liberalization exceeds that of almonds imported after July 1.

Marketing structure: One company still dominates the almond trade due to its well-established position in the market—it had an effective monopoly until July 1, 1985. That company has sold most of its imports to confectionery manufacturers, although some have been distributed to supermarkets and department stores.

Potential new entries into the almond import business include larger confectionery firms, which have expressed an interest in importing for their own account, and other companies which are actively investigating the possibility of establishing their own roasting and packing operations in Korea.

Trade barriers: Other than the 50-percent tariff, there are no formalized trade barriers.

Developing the market: Almonds are fairly well established among Korea's manufacturers of candy, ice cream and baked goods. Promotional activities are required to break into other markets.

The snack food market would be a logical target, with special attention given to snacks served at drinking establishments. A well-coordinated advertising campaign is recommended.

Cherries

Cherry imports have been liberalized since July 1, 1985. Previously, Korean plant protection law had effectively barred the entry of cherries into Korea except for a small shipment for hotel use in 1984.



Planning Ahead Helps Avoid Export Plight

Commodities like the horticultural and processed products discussed in this article are occasionally subject to negative publicity campaigns designed to reduce unnecessary imports of "luxury items"—a problem exporters encounter not only in Korea but in many other developing countries. A surge in imports, whether it poses a real or imagined threat to domestic products, may result in a tightening of import restrictions.

While reneging on negotiated trade agreements may be difficult, unpublished "administrative guidance" in the customs clearance or quarantine area can cause serious delays and even take a significant toll on product quality.

The U.S. Agricultural Affairs Office in Seoul monitors such procedures and works to expedite customs clearances through communication with customs and quarantine officials.

However, would-be traders in these products need to be aware that circumstances can arise under which it is impossible for either the importer or the U.S. Embassy to obtain changes in procedures rapidly enough to prevent losses to the firm which owns the goods in question.

Exporters need to arrange payment terms which protect them from risks associated with what happens to goods after arrival to the greatest extent possible.

Since liberalization, one container load of about 6 tons has been imported for local consumption. While popular in hotels, cherries did not sell well in fruit markets largely because Korean consumers were unfamiliar with the product and the price was high compared to locally grown fruits. Air shipment expenses and the 50-percent tariff rate contributed to a retail price of 100 won or about 12 cents per cherry.

The U.S. Agricultural Trade Office, in cooperation with the Northwest Cherry Growers, Inc., brought in about 200 kilograms of samples to distribute to potential consumers and traders.

Marketing structure: First-time cherry imports for local consumption were brought in by two private companies in 1985. These dealers sold the fruit to wholesalers and department stores.

As with prunes, marketing channels are not fully defined because only a small volume has been marketed to date.

Trade barriers: Korea's plant quarantine requirements for cherry imports call for fumigation treatments by one of several prescribed methods

in addition to a phytosanitary certificate issued by the USDA.

Developing the market: A marketing campaign for cherries should take into account their seasonality by planning and undertaking promotional efforts before the cherries' brief shipping season.

While activities in the major tourist hotels should continue, promotional efforts should be broadened. General consumer awareness should be encouraged through media advertising. The cherries should be made available in local restaurants and fruit markets.

As price appears to have been a major constraint to 1985 marketing efforts, traders should seek ways to make cherries more affordable until the market becomes better established.

Processed Food Products

The July 1985 liberalization announcement also included a number of processed food products—ketchup, mayonnaise, margarine, shortenings and cottonseed oil. These products, however, still are subject to tariffs of 30 to 40 percent, making them uncompetitive with their locally manufactured counterparts.

Despite the fact that most demand is fulfilled by local manufacture, there is likely to be a small but permanent market for U.S. products, based largely on their prestige and reputation for high quality.

Developing the market: Processed food imports could be marketed by emphasizing their prestige and eliciting brand name loyalty among the expatriate community, Koreans who have spent time in the United States and consumers who may be attracted to "exotic" products from the West.

If the U.S. product has higher quality ingredients than its Korean counterpart, that should be touted. There is some limited opportunity in specialty markets for U.S. processed food imports with minimal additives or preservatives marketed as "health foods." Mayonnaise could be marketed on this basis. ■

Berry is U.S. agricultural attache and Ahn is an agricultural specialist in the Office of U.S. Agricultural Affairs in Seoul.

By Frank Tarrant

The United States is the top supplier of imported fruit to Malaysia, thanks to a high-quality product that is much in demand by Malaysia's quality conscious buyers and an active market development program.

Malaysia imports a total of about \$41 million of fresh fruits annually from all sources. The most popular imports are oranges, apples and grapes, the majority of which come from the United States. Pears, plums, peaches, melons, kiwifruits and grapefruits are also among the favorites.

Malaysia primarily imports fresh fruits from the United States, Australia, China, Taiwan, Thailand, New Zealand, France and, most recently, Chile.

For apple imports, the 1984 market shares in percent were roughly: United States 55, Australia 21, China 4, New Zealand 7, and France 7.

For orange imports the 1984 market shares in percent were: United States 59, Australia 32, Portugal 4, Thailand 1, and China less than 1.

For grapes, the United States shipped 84 percent of Malaysia's imports in 1984. Other suppliers in percent were: Australia 9, Chile 3, and Thailand and Portugal, 2 percent each.

Malaysia's imports of oranges, apples and grapes from the United States have increased sharply in recent years. This development is partly due to the active market promotion activities of Sunkist, the Washington State Apple Commission and the California Table Grape Commission.

U.S. Oranges Enjoy Top Sales

Most of the more than 17,000 tons of oranges Malaysia imported from the United States in 1984 were from Sunkist. Middle-income Malaysians are very brand conscious and buy Sunkist oranges, recognizing the name for its quality.



As for the competition, new brands of Australian oranges have been introduced in Malaysia recently and are priced slightly lower than Sunkist's. With aggressive market promotion efforts, these oranges could threaten Sunkist for the top position, a status it has enjoyed for the past few years.

China's exports of oranges (mostly mandarins) to Malaysia fell sharply from 1,260 tons in 1980 to 174 tons in 1984. During this period, Australian oranges increased dramatically from 4,405 tons to 9,259 tons.

Big Market for Washington Apples

Malaysia is the fourth largest importer of Washington apples behind Taiwan, Saudi Arabia and Hong Kong. The Red Delicious variety is the top seller; however, attempts are being made to develop a market for Golden Delicious.

In a recent U.S. in-store supermarket promotion, the Golden Delicious was introduced to the public and the response was promising.

Apples from Australia are also very popular. They are generally the Granny Smith variety. The Australian Apple and Pear Board is very active in this market, organizing trade shows and sampling sessions through the Australian Trade Commission annually in addition to holding representational functions with the importers.

New Zealand and France are also relatively important suppliers of apples to Malaysia, each supplying roughly 7 percent. French apples, in particular, have made spectacular inroads into the Malaysian market in recent years.

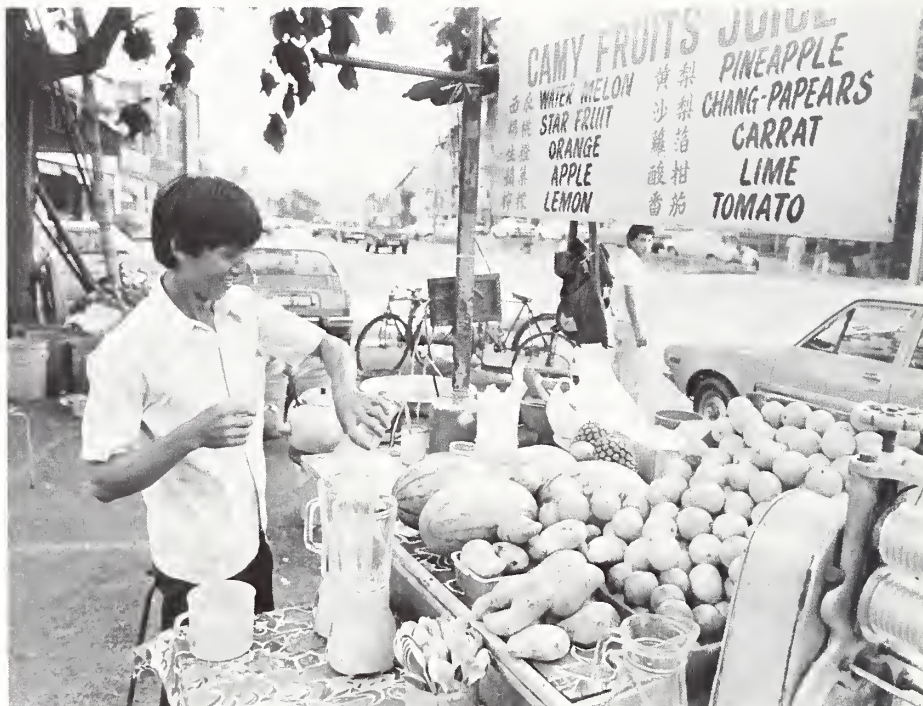


U.S. Grape Varieties Are Popular

California grapes are readily available in Malaysian supermarkets. Despite higher prices, consumers appear to prefer the more expensive seedless grapes over the other varieties. In the big cities of Kuala Lumpur, Penang, Johore Baru and Ipoh, every hawker's stall is well stocked with Thompson Seedless and Emperor varieties.

Thailand is becoming a competitive supplier of both grapes and oranges to Malaysia. Malaysia imported 1,254 tons of oranges during January-June 1985, compared to 107 tons in 1980. Grape imports totaled 610 tons during January-June 1985 compared to 73 tons in 1980.

Thai grapes and oranges are of lower quality than U.S. fruits, but they are very inexpensive, and the people who buy them are usually from the lower income group in the rural areas.



China is the major supplier of pears to Malaysia, although exports have declined in recent years. U.S. pears are not popular because Malaysians prefer the crunchy Asian varieties.

Fruit Imported Through Many Channels

There are about 25 importers of fresh fruit in Peninsular Malaysia. The majority of these are based in Kuala Lumpur, Penang and Johore Baru. Kuala Lumpur importers are also members of the Kuala Lumpur Fresh Fruit Wholesalers and Importers Association. They operate from the wholesale market located about seven miles from the city in Selayang.

About 80 percent of imported fruit is retailed by street hawkers who purchase the fruits from the wholesale market. Fresh fruit is also retailed at supermarket stores, which in recent years have captured a greater share of the fresh fruit retail market.

Import Licenses Not Required

Import permits or licenses are not required for fresh fruits except those

coming from China, which require an approved permit from the Ministry of Trade and Industry.

In addition, all imports from China must be channeled through PERNAS, a semi-government agency which levies a 0.5-percent fee on the cost of the merchandise. A health certificate for all imported fruits, however, is required.

Because of the high import duty on imported fruits, retail prices of apples and oranges range from 15 to 20 cents each while grapes retail at \$4.25 to \$5.00 per kilogram. Pears sell for 35 to 40 cents apiece.

The import duty on these fruits is \$273.30 plus a 5-percent surtax per metric ton. Importers get a rebate of 10 percent off the import duty when they import directly through Malaysian ports. In recent years, more fruit has been imported directly, bypassing Singapore.

The average shipping cost of apples from the United States is currently \$5.50 per carton. Grapes are \$5,300 per container and oranges are \$4.90 per carton.

Most U.S. apples are shipped to Malaysia out of Seattle via Japan, Taiwan, Singapore, Port Kelang and Penang by American President Lines.

Grapes and oranges come usually from Long Beach, Calif., on the Maersk Lines. Shipping time between U.S. West Coast ports and Port Kelang is about 22-24 days. Most of Australia's highly perishable food items, including grapes, are shipped by air.

Potential exporters of fruit to Malaysia need to know that the country is one of the more wealthy in Southeast Asia. Per capita income in 1984 was \$2,167 and is expected to grow at a healthy rate of 5-6 percent in the future.

The population is relatively young; 60 percent of the people are under the age of 30. The population is also diverse in culture.

Trade is relatively free, although high import duties are often used to protect emerging or sensitive domestic industries.

Malaysia Is Also a Fruit Exporter

In addition to sizable fruit imports from the United States and other sources, Malaysia also exports fruit, mostly of the tropical variety. In 1984, Malaysia exported about \$13 million worth of fresh fruits.

Recently, officials from the Malaysian Agricultural Research and Development Institute identified bananas, papayas, mangoes, durians and pineapples as having the greatest potential for the export market. Malaysia also produces such fruit as mangosteens, rambutans, guavas and langsat.

U.S. Is Major Orange Supplier to Malaysia

(In metric tons)

	1980	1981	1982	1983	1984
United States	8,724	10,940	9,815	21,275	17,268
Australia	4,405	5,871	7,865	5,408	9,259
China	1,260	696	275	111	174
Portugal	1,352	1,865	982	1,581	1,081
Thailand	107	107	308	419	426
Others	1,607	742	1,085	823	925
Total	17,455	20,221	20,330	29,617	29,133

U.S. Maintains Strong Role in Malaysian Apple Imports

(In metric tons)

	1980	1981	1982	1983	1984
United States	6,211	7,200	6,833	11,177	13,460
Australia	6,825	7,713	6,298	8,937	5,131
China	7,259	6,680	4,501	2,634	1,004
New Zealand	1,481	919	975	821	1,860
France	265	103	1,087	1,057	1,764
Others	652	343	440	985	1,321
Total	22,693	22,958	20,134	25,611	24,540

Malaysian Consumers Prefer U.S. Grapes

(In metric tons)

	1980	1981	1982	1983	1984
United States	1,380	1,210	1,714	1,513	4,266 ¹
Australia	246	125	335	567	445
Thailand	73	194	638	284	98
Chile	35	25	66	27	129
Portugal	86	11	51	94	84
Others	11	13	11	58	57
Total	1,831	1,569	2,815	2,543	5,079

¹Malaysian import statistics. U.S. data indicate U.S. grape exports of 1,241 tons.

Pineapples and bananas—the only fruit currently produced on a commercial scale—occupy the largest proportion of acreage devoted to cultivation of fruit.

Investors have not as yet ventured measurably into the fruit industry due to better margins and less risk in more established crops such as oil palm and cocoa. ■

Government Supports Industry

Malaysia's government has emphasized the development of the fruit industry to ensure an adequate supply of quality local fruits for domestic consumption as well as for export.

The author is U.S. agricultural attache in Kuala Lumpur.

USSR Imports Record Levels Of U.S. Almonds



This was the first shipment of a total 20-million-pound purchase of almonds made by the Soviet Union, the single largest purchase of almonds to date.

Blue Diamond employees in the distribution center set records to get the shipments to the port on time. Two million pounds of almonds rolled out of the center three days in a row, according to Wayne Duty, director of distribution/strategy and logistics.

In 1968, the Exchange made its first sale of snack almonds to the Soviets. The sale was a result of a trade mission in 1967 made by Jack Axer, now the Exchange's director of reserve market development programs. He made the journey with nine other agricultural delegates from California. Axer was the only member of the delegation to make a sale. Shortly after the first sale, a small order for bulk almonds was placed by the Soviets.

U.S.-Soviet Trade Has Grown

The relationship between the Exchange and Soviet agricultural trade officials has grown since. Now, Blue Diamond marketers visit the Soviet Union annually to strengthen the partnership, show them what's being done with almonds in other parts of the world and, of course, sell almonds.

In the year ending June 1985, the industry shipped 45.2 million pounds of almonds to the Soviet Union. That's four times the amount the Soviets usually buy in a year. Since July 1, 1985, the Soviets purchased an additional 20 million pounds. From 1979 to 1981, the Soviet people purchased 11 million pounds annually.

Walt Payne, vice president of marketing and sales, explains the reason for the increase. "Almonds are being used in place of hazelnuts from Turkey because the price of hazelnuts is too high and the crop is small. Also cashews from India, which are mostly

sold on barter arrangements, are going up in price. As a result, we might also see a switch from cashews to almonds."

High Priority on Soviet Sales

To increase good will and ensure that almond consumption in the Soviet Union continues to rise, the Exchange places the partnership with Soviet officials on the priority list. To pursue this goal, Exchange President Roger Baccigaluppi traveled to the Soviet Union in August 1985 as part of an agricultural delegation.

Baccigaluppi met with the Soviet Minister of Agriculture and Foreign Trade and political officials in Moscow, Kiev and Leningrad. The delegation also toured Soviet farms.

The itinerary later took them into Hungary, where Baccigaluppi met with Hungarian agricultural officials and discussed a Blue Diamond Almond purchase.

"Our visit helped develop a better agricultural understanding between the Soviet Union and the United States," says Baccigaluppi. "Agricultural relations have been strained between the two countries because we don't understand each other. More trips like this need to be made."

The goal of Blue Diamond is to continue to build a strong relationship with its trading partners so the Soviet Union will continue to buy almonds and break records. ■

By Abbie Mobley

Captain Evgeny Nikolaev and his crew worked through the hot spell of late August, making sure their ship's cargo—11 million pounds of Blue Diamond almonds—was carefully loaded in the hold and ready for its voyage from the Port of Sacramento to Leningrad.

The author is assistant editor of Almond Facts Magazine. Tel. (916) 446-8597. This story is reprinted from Almond Facts magazine, California Almond Growers Exchange/Blue Diamond, copyright 1985. Photos by Abbie Mobley.

Hong Kong/Singapore Trade Exhibits To Showcase U.S. Foods

April 1986 13

By Jane Warren

Agricultural traders will have a double opportunity to display their wares in the growing Pacific Rim market during May 1986. The Foreign Agricultural Service will sponsor a U.S. Solo Food Exposition in Hong Kong on May 6-7, 1986, and a major U.S. pavilion at Food and Hotel Asia86, a biennial food and equipment trade show in Singapore on May 13-16.

The Furama Intercontinental Hotel in Hong Kong is the stage for 60 booths reserved by the U.S. agricultural officer. This trade-only solo show will coincide with the Singapore event.

Both events should prove to be premier marketing opportunities for U.S. food and agricultural exporters to enlarge their potential sales base. These exhibits provide U.S. firms with direct contact with buying powers in the Southeast Asian markets.

Pacific Rim Is Growth Market

Research continues to point out that the Pacific Rim is the growth market of the future. Participation in U.S. sponsored trade events is one of the most appropriate ways for a firm to expose its products in these dynamic markets.

Hong Kong has long been considered a major transshipment point for Pacific Rim countries, and it is a free port and open market. Hong Kong imported \$3.3 billion worth of agricultural products from the world in 1983. Processed products comprise 61 percent of the total.

The United States is considered one of the leading suppliers of that market. High-value horticultural and tropical products lead U.S. agricultural exports to Hong Kong.

Sixty booths also are reserved in the U.S. pavilion in Food and Hotel Asia86, which will be held in Singapore's World Trade Center. It is considered the leading international event for the food, drink, hotel and catering industry in all of Southeast Asia.



This year will be the fifth such exposition. In 1984, over 22,000 trade and business participants visited with intense buying interests. Visitors came from 28 different countries, with the majority from Singapore, Malaysia, Indonesia, Australia, New Zealand, Hong Kong and Taiwan.

Fresh and frozen agricultural products proved to be in demand in the 1984 Singapore exposition. The U.S. agricultural trade officer in Singapore views Food and Hotel Asia86 as the prime marketing vehicle for fresh fruits and vegetables in the region.

As in Hong Kong, horticultural and tropical products make up the greatest percentage of U.S. agricultural exports to Singapore.

Processed products, such as cut-up chicken pieces, coffee extract, refined and crude corn oil accounted for 71 percent of U.S. exports to Singapore in 1984. Total processed U.S. agricultural exports to the Singapore market were valued at \$144.5 million. ■

The author is with the Export Promotions Division, FAS. Tel (202) 475-3411.

Foreign Exchange: How It Affects U.S. Farm Exports

By O. Halbert Goolsby

The U.S. dollar hit a peak in foreign exchange markets in late February 1985. That marked the end of an upward spiral that many experts think cut deeply into the volume of U.S. agricultural exports.

The decline in the value of the dollar since that point should have a positive effect on U.S. farm sales abroad provided other factors, such as being competitive, are also taken into account.

The Dollar Vs. the Competition

U.S. competitiveness depends, in part, not on the value of the dollar against the currencies of foreign buyers, but on the value of the dollar vis-a-vis the currency of other suppliers.

The U.S. dollar has devalued by anywhere from nearly 6 percent to over 40 percent against four competitor currencies (Argentina, the United Kingdom, France and Thailand) in real terms. However, it has advanced

slightly against the Australian and Canadian dollars, and advanced quite significantly against Brazil's and South Africa's currencies.

For several reasons, the effect that exchange rate movements have on exports differs from commodity to commodity.

Wheat and rice. Nearly every major food grain importer has a trade or foreign exchange policy or economic system that either significantly or totally offsets any effect an exchange rate change might have on wheat and rice imports.

The exchange rate between the currencies of centrally planned economies and the dollar play no role in determining imports.

In many other wheat or rice importing countries, food importing agencies determine either the quantity of food grains to be imported or the amount of foreign exchange that can be used for this purpose. In yet other countries,

foreign exchange is extremely scarce and U.S. and other aid programs largely determine the level of imports.

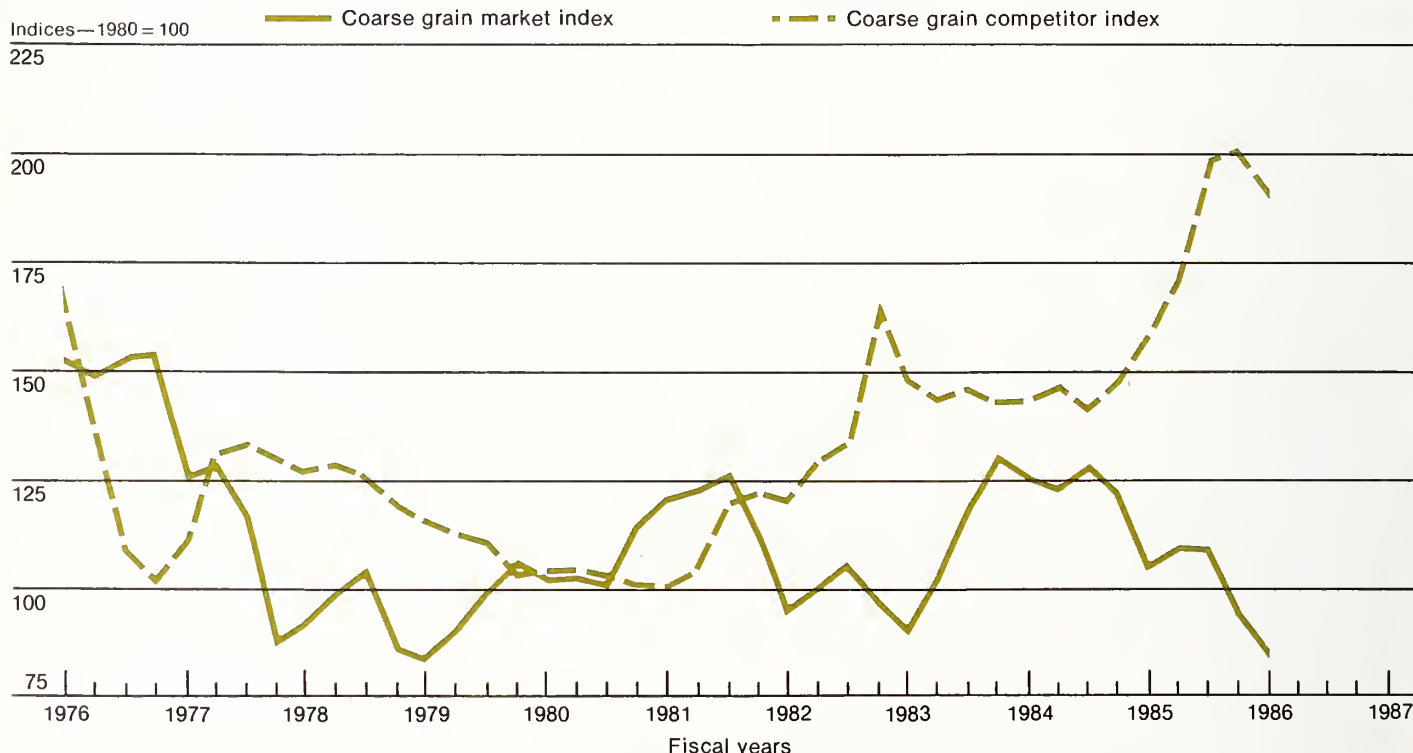
Therefore, from the demand viewpoint, food grain exports will not benefit much from the dollar's depreciation.

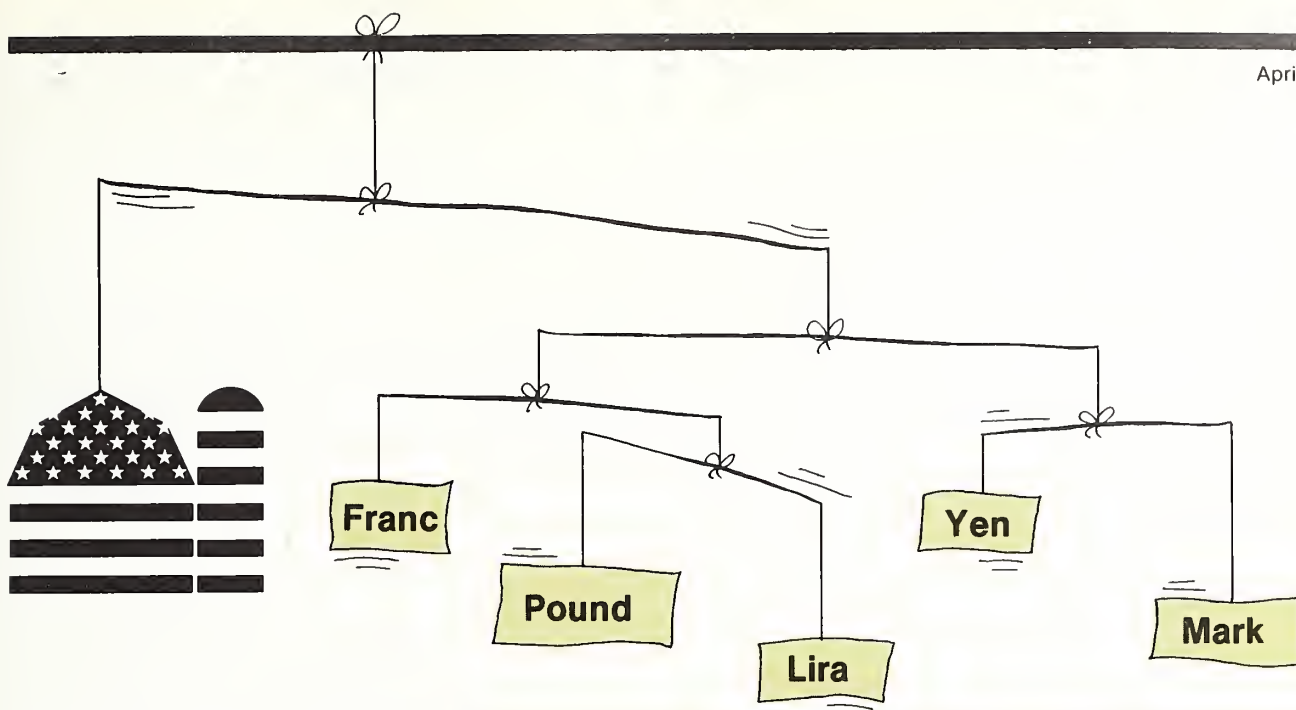
From the competitive viewpoint, however, U.S. exports could benefit—especially when U.S. agricultural programs also help bring domestic prices more in line with the world supply and demand situation.

Regarding wheat competitors, the U.S. dollar has declined significantly against the French franc and the Argentine australes since February 1985. However, France heavily subsidizes its wheat exports, which affects much of the exchange effect.

Since the U.S. dollar has not declined against the Canadian dollar and the Australian dollar since February 1985, no benefits are likely to accrue for U.S. exports against exports from these two countries, other factors aside.

The Dollar's Exchange Rate vis-a-vis Coarse Grain Competitors Is More Important Than vis-a-vis Customers





Feed grains. As with food grains, feed grain exports to centrally planned countries and to EC countries will not benefit from increased demand resulting from exchange rate changes. Thus, this essentially means that only exports to Japan may increase.

Regarding competitors, the United States should gain against four out of eight. As a result, the outlook for U.S. feed grain exports is somewhat better than for wheat shipments.

Soybeans. Few countries have barriers to soybeans and the decline in the value of the dollar should strengthen demand. And, from the competitive viewpoint, the U.S. dollar has declined in real terms against the currency of one of the chief U.S. competitors, Argentina. However, it has not declined in real terms against Brazil's currency.

Other commodities. During the period from fiscal 1981 to 1985, exports of other commodities dropped by more than 14 percent, or about \$2.5 billion, to a level of about \$15 billion. Since demand for these items is more sensitive to price changes than bulk commodities, a declining dollar should boost exports.

With regard to U.S. competitiveness for this group of commodities, it is difficult to make generalizations since the commodities in this group and the countries which produce them are so heterogeneous. ■

An Added Push to the Dollar's Decline

The dollar's decline was given a further push by a joint policy announcement on Sept. 22, 1985, by leaders of the five largest industrial nations (the United States, France, Germany, Japan and the United Kingdom). This statement indicated that a better world economic balance would be obtained by a lower value of the dollar and by greater emphasis on economic growth by the four foreign nations.

As the dollar declined against these four currencies, it was almost certain to decline against some other major currencies. In the months after the announcement, the dollar dropped in real terms by anywhere from about 3 to 30

percent against the currencies of the 10 largest markets for U.S. products.¹

(Centrally planned countries were excluded from the list since the foreign exchange value of their currencies against the dollar does not play a role in determining imports.)

Larger imports of U.S. farm products by foreign markets should follow, especially if faster growth occurs as a result of policy actions promised at the September 22 meeting.

¹The United Kingdom, the Netherlands, Belgium, West Germany, Japan, Italy, Spain, Canada, Taiwan and Korea.

U.S. Dollar Declines Against 10 Major Currencies¹ (In percent)

United Kingdom	-31.4
Netherlands	-30.1
Belgium	-29.5
Germany	-29.0
Japan	-27.3
Italy	-24.8
Spain	-23.9
Canada	- 7.0
Taiwan	- 6.8
Korea	- 3.4

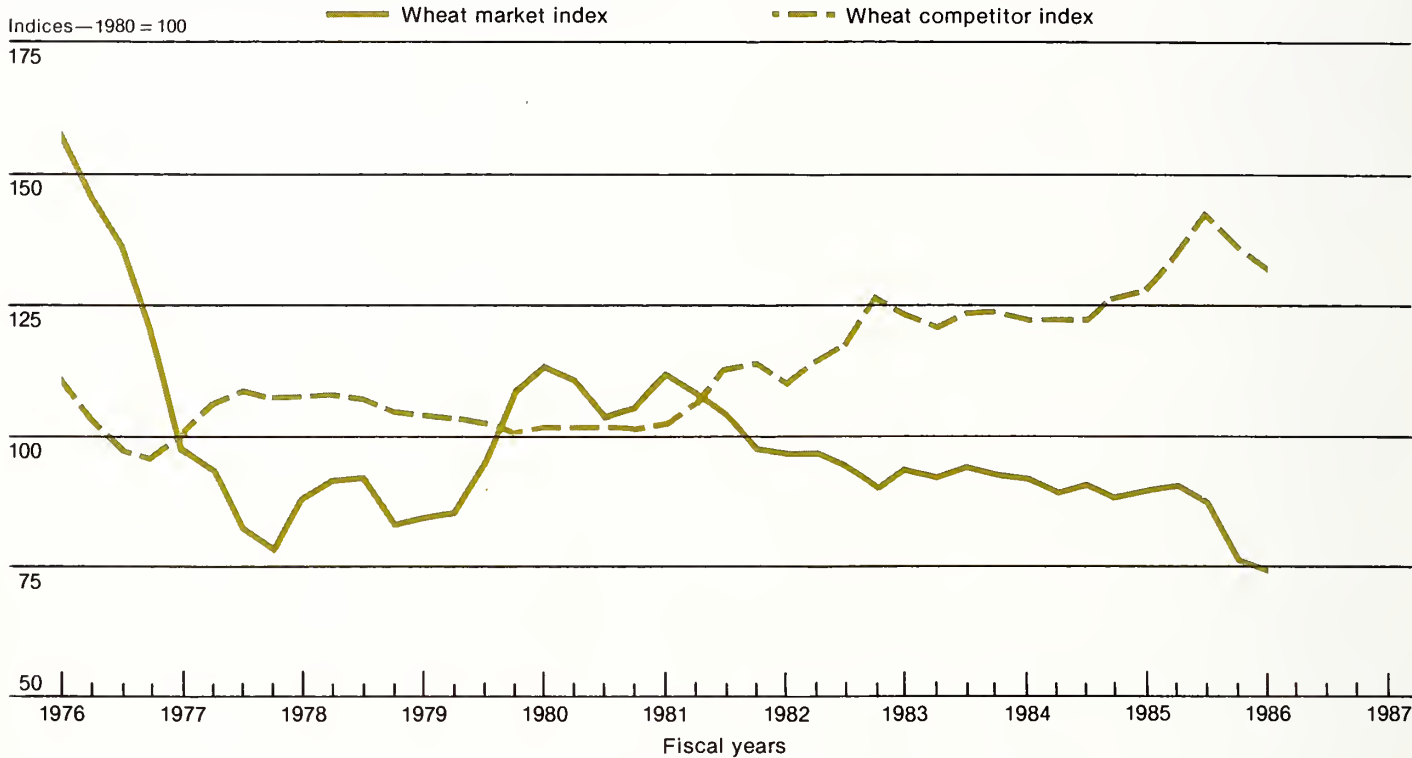
¹Feb. 28-Dec. 4, 1985.

U.S. Dollar Has Dropped Against the Currencies Of Some Competitors and Appreciated Against Others¹ (In percent)

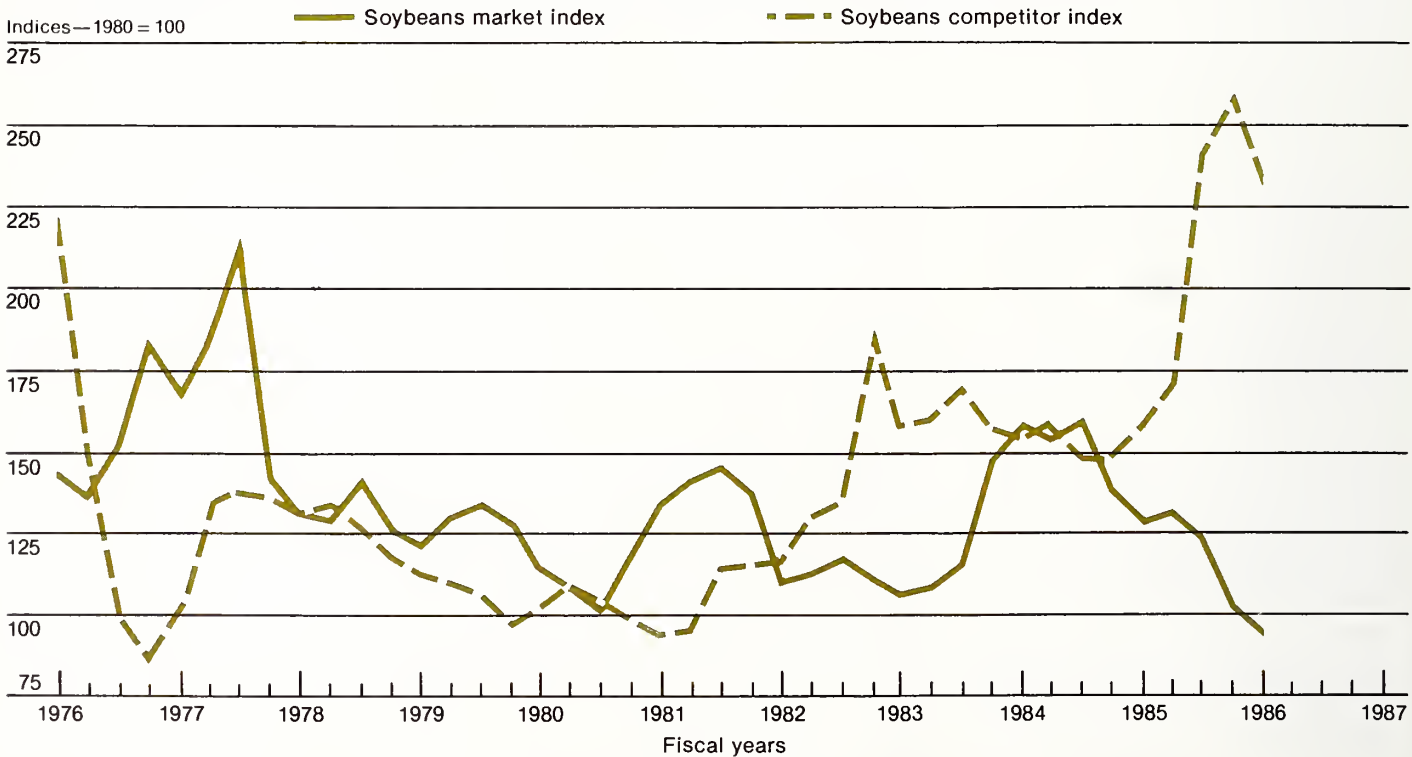
Argentina	-42.6
United Kingdom	-23.3
France	-20.6
Thailand	- 5.8
Australia	+ 2.9
Canada	+ 4.9
Brazil	+16.1
South Africa	+26.1

¹Feb. 28-Dec. 4, 1985.

The U.S. Has Become Less Competitive for Wheat Exports



While U.S. Soybean Prices to Foreign Markets Have Declined, the U.S. Has Lost Competitiveness



Robust Market Exists for Health Foods In the United Kingdom

April 1986 17

By Christine T. Chapman

Sales of health foods in the United Kingdom have more than doubled since the start of the decade, and by 1990 the market is expected to be roughly \$1.3 billion, assuming \$1.50 equals 1 pound sterling.

As one of the fastest growing sectors of the U.K. food trade, it's a market with some potential for U.S. exporters. However, exporters may have to make label or even product changes to be given a chance in the expanding U.K. market. And they can cost themselves out of the market if U.S. retailing and promotional expenses are loaded onto export prices.

Here are a few facts and figures for exporters who might want to break into the market.

Sales Grow in Non-Specialty Stores

As recently as five years ago, most health foods in the United Kingdom were sold through specialized health food outlets. Today, sales are split just about evenly between the specialty stores and non-specialty retailers such as supermarkets, grocery stores, mail-order stores and chemists (pharmacies).

At the end of 1983, there were 1,300 specialty health food shops in the United Kingdom. Predictions are that the number will increase to 2,000 by 1990. Even so, their share of total retail sales is projected to slip to only about two-fifths by the start of the next decade.

Approximately 88 percent of the health foods sold in specialty stores are produced domestically. Of the 12 percent which are imported, approximately 5 percent come from the United States.

Wide Variety of Products in Demand

Within the United Kingdom, the health food market encompasses a wide range of foods, beverages and cosmetics that are free from synthetic or animal-derived ingredients, natural remedies, food supplements and other products.

The market is broadly broken down into four major areas:

Dietary supplements, such as single vitamins and minerals, multivitamins, multiminerals, fiber supplements, evening primrose oil, ginseng, trace elements, royal jelly and other natural supplements. The U.K. market thus far has been almost totally uninterested in single amino-acids, organ extracts and mega-doses.

Herbal and homeopathic remedies, including a variety of natural and alternative medicines, biochemic tissue salts and anthroposophic remedies (medicines based on the philosophies of Dr. Rudolph Steiner, which are also prescribed by qualified doctors).

Natural cosmetics and toiletries, such as those made from jojoba and aloe vera. These products may not include animal products.

Natural foods, which include the following:

Dairy products: Soybean milk, goat's milk, natural yogurt and polyunsaturated natural ice cream.

Bakery products: Wholemeal bread biscuits and oatcakes. Biscuits (cookies) must be made from 100 percent wholemeal grains and from vegetable fats and oils. Only raw sugar, honey, fruit juice and other natural unrefined ingredients may be used as sweeteners.

Breakfast cereals: Cereals, muesli, wheat germ and bran products. Cereals must be separated by physical rather than chemical processes, and 100 percent of the cereal must be used, except when a specific part is offered, e.g., wheat germ, bran, etc.

Flour and flour products: Dry yeast, mixes and flour. Ideally, flour should be 100 percent stoneground wholemeal, but 100 percent roller milled is sometimes sold. The flour content of pasta must be 100 percent wholemeal.

Vegetable margarines: Must be unhydrogenated and free from dairy, animal or any artificial additives. There are legal requirements to fortify with specific amounts of vitamins A and D.

Confectionery: Granola bars, fruit bars, carob products and boiled sweets. All items must be made only from raw sugar or honey, and include only natural flavors and colors. When sugar, even raw, is added to fruit bars, products are classed as confectionery and must bear a 15-percent sales tax (VAT). They may contain not more than one-third of the legally permitted preservative, sulphur dioxide.

Honey and preserves: Honey, jam, preserves and peanut butter. Honey must not be subjected to excessive heat treatment. Jam must be made without refined sugar, and even raw sugar is frequently replaced with fruit juice concentrates.

Miscellaneous condiments: Vegetable cooking oils, sea salt, low sodium salt, vinegar and dressings. Vegetable oils preferably should be made from cold pressed oils with a low polyunsaturated fatty acid content.

Pulses: Peas, beans and lentils.

Popcorn: Popcorn's appeal to the health food market is still largely dormant. In-store popping has never, so far, happened.

Fruits and nuts: Dry fruit and unprocessed nuts. Dried fruit may be dressed with vegetable oils only and should contain no added preservatives.

Vegetable savories: Textured vegetable proteins, vegetable pate, yeast extracts, soups, pasta, canned vegetable foods and soybean products.

U.K. Health Food Market Registers Strong Growth

\$ mil.

1000

800

600

400

200

0

1980

1984

1990

* Projected.

Beverages: Decaffeinated coffee, health drinks, herbal teas, natural fruit juices, vegetable juices, mineral waters and carob drinks.

Organically grown foods.

U.K. importers are actively seeking innovative or original products, but have a record of closing ranks to exclude "me-too" manufacturers who are not likely to help the market growth.

Regulations Are Strict

Guidelines as to the quality of health foods and their ingredients continue to be developed in the United Kingdom. A guideline favored by the British industry is the idea of a "Healthmark" — a quality symbol for genuine health foods. Plans are to introduce the symbol this year.

Manufacturers and retailers of health foods are subject to strict regulations concerning claims about health foods and natural remedies.

Any product making a claim to prevent, treat or cure must be licensed under the British Medicines Act. Products making no claims may be sold purely as foods.

To illustrate the difference, vitamins do not need to be licensed if they are sold as dietary supplements. However, if therapeutic effects are claimed in packaging or advertising, they will require a product license.

Products making any kind of medical claim should be referred to:

Department of Health and Social Security
Medicine Division
Market Tower, No. 1
Nine Elms Lane
London SW8 5NQ
Tel: 01 720 2188 Ext: 3301
Attn: Mr. Parnwell

Once a product is licensed, it must be promoted solely for the use stated in the product license.

Be Careful About Labeling

Foods and food supplements must have all ingredients listed in descending order by weight. Many additives are classified by the European E number code, which means that there are two acceptable ways to list additives.

For example, the natural substance lecithin could be declared in two ways:

- (i) emulsifier, lecithin, or;
- (ii) emulsifier, E322.

No artificial colorings or flavorings may be used in specialist health foods. For example, if the synthetic color, tartrazine (E102), is added, the product would not qualify as a health food, even if the additive is legally permissible.

The Health Food Manufacturers Association (HFMA) has a full-time expert who gives advice on the complexities of both food and medicine law with particular reference to labeling, literature and advertising. Facilities are also available to help non-members of the HFMA through an offshoot called MAPPA.

The current upfront cost is \$50.00 for each label, advertisement or page of a leaflet. This approval stamp is recognized by the Ministry of Health and leading publications. Contact:

Dr. Adrienne Mayes
Dapplestones
High Foleys
Claygate, Surrey KT10 OUA
Tel: 0372 65113

Distribution Concentrated

The most dominant factor in the U.K. health food market, at all levels of the trade (manufacturing, wholesaling and retailing), is Booker Health Foods, a subsidiary of Booker McConnell.

Key Contacts in the U.K. Health Food Market

British Health Food Manufacturers Association:

President: Maurice Hanssen
7a-9a Church Street
Esher, Surrey KT10 8QS
Tel: 0372 66468
Telex: 928489

British Health Trade Association

Secretary: Ken Rusby
The Old Coach House
Southborough Road
Surbiton, Surrey KT6 6JN
Tel: 01 399 6693

Importers/Wholesalers/Distributors of Health Foods

ASPIN & MAY
Unit 1, Coomber Way
Beddington Lane
Croydon, Surrey CR04TQ
Tel: 01 683 0333
Contact: Mr. Tony Aspin

BREWHURST HEALTH FOOD SUPPLIES

Abbott Close
Oyster Lane
Byfleet, Surrey KT14 7JN
Tel: 01 915 4211
Telex: 929839
Contact: Mr. Martin Last

GOODNESS FOODS

London Road
Daventry, Northamptonshire
Tel: 03272 76454
Contact: Mr. Ed Hunt

G. R. LANE HEALTH PRODUCTS LTD.

Sissons Road
Gloucester GL1 3QB
Tel: 0452 24012
Telex: 43255
Contact: Mr. H. Lenthall

HEALTH & DIET FOOD CO. LTD.

Seymour House, South Street
Godalming, Surrey GU7 1BZ
Tel: 04868 28021
Telex: 859511

HEALTH STORES (WHOLESALE) LTD.

Queens Road
Nottingham NG2 3AS
Tel: 0602 866615
Contact: Mr. H. Ian Martin

ILLINGWORTH HEALTH FOODS LTD.

Prospect Mills
Thornton Road
Thornton, Bradford
West Yorks BD13 3LN
Tel: 0274 833464
Contact: Mr. Les Illingworth

NATURE'S STORE

Unit E Motorway Distribution Centre
Avonmouth Way
Avonmouth, BS11 9YA
Tel: 0272 828211
Contact: Mr. Philip Croft

Booker Health Foods Ltd. is the umbrella company for Booker's health food business. The firm is engaged in the manufacture and import of health foods. The wholesale/distribution business operates under the name Brewhurst Health Food Supplies Ltd., and the retailing side under the name Holland and Barrett.

Of the 1,300 specialist health food shops in operation in 1983, approximately 150 were Holland and Barrett shops. Holland and Barrett shops have the greatest turnover per store of any of the retail chains.

The second largest retail group is Country Life Health Foods Ltd, a southern England-based chain, with 34 health food shops operating under the name Leaders.

A growing factor in the retail business is the Realfare voluntary symbol group of health food stores. Stores belonging to this group operate under their individual names and incorporate the "Realfare" symbol.

Many of the lines sold through these shops bear their own label name of Realfare. The number of stores belonging to this symbol group in 1983 was 660. It is organized by the Brewhurst division of Bookers and does not include Holland and Barrett.

Smaller retail chains operating in specific geographic locations with less than 20 outlets include:

—Southern Health Foods, South England;

—Happy Nut House, Liverpool and Northwest; and

—Nature's Way, South England.

Getting Your Foot in the Door

HELFEX, the largest health food exhibition in Europe and the most international health food show in the world, will be held in Brighton, England, on April 20-21, 1986. This show is held every two years and is

one of the best ways to gain entry to the U.K. health food market.

While there will be no conferences or seminars, the show can generate many leads, contacts and business opportunities. The U.S. Agricultural Trade Office has booked space at the exhibit for a U.S. Pavilion at HELFEX '86. For additional information about HELFEX, contact:

HELFEX '86

Export Programs Division
Foreign Agricultural Service
U.S. Department of Agriculture
Room 4944 - South Building
Washington, D.C. 20250
Telephone: (202) 447-3031 ■

The author is the marketing specialist at the U.S. Agricultural Trade Office in London, 101 Wigmore Street, London W1H 9AB, United Kingdom. Tel. (011-44-1) 499-0024. Telex: 296009 USAGOF.

West Germany Develops Taste For Frozen Foods



By Dieter Ramm

Despite import barriers and heavy competition, U.S. frozen foods such as sweet corn, potato products, blueberries, cranberries and occasional smaller quantities of other fruits and vegetables are showing up in West German markets as more households develop a taste for convenience foods.

With innovative marketing and competitive pricing, a variety of new-to-market convenience items could catch the fancy of West German shoppers.

The West German market for frozen foods has shown continuing, substantial growth over the past 10 years, and further expansion is expected in the decade to come.

The wholesale value of frozen foods was roughly \$1.4 billion in 1984¹, up 11 percent from 1983. About 51 percent of total sales volume was marketed in consumer size packages. The remainder was sold in larger packages used primarily by mass feeding operations.

Consumption Patterns Are Changing

Although per capita consumption of frozen foods lags behind most other European countries, nearly 80 percent of households in West Germany now use frozen foods. Three-fourths of that number are considered regular users.

Consumption is no longer limited to higher income households with children. Statistical data from test households indicate that a growing number of lower income households, including pensioners with only one or two people, buy frozen foods.

Today, nearly four-fifths of West German households have facilities to store frozen foods. In addition, about 5 percent of households now have microwave ovens, and that figure is increasing rapidly. This trend will strengthen future demand for a wide variety of frozen convenience foods.

¹Assuming US\$1 averaged 2.84 DM.

Processing in Hands of a Few

West Germany imports most frozen fruit and vegetables in bulk form. Further processing, packaging and marketing is handled by just a few firms, which include Langnese Iglo, Dr. Oetker Tiefkuehlkost, Hengstenberg, Frosta, Nordsee Deutsche Hochseefischerei, Schoeller and Raiffeisentiefkuehlkost from Germany, and Groko and Talpe, which are headquartered in the Netherlands. These firms sell under their own brands.

In addition, large retail organizations carry their own trade brands packed either by the big processing firms or by manufacturers outside of West Germany.

Involved to a much lesser extent are three larger specialized producers of frozen meals for large feeding kitchens, and one small firm marketing only in northern Germany.

Despite the relatively small number of suppliers, the West German frozen food market is extremely competitive at both the wholesale and the retail level. The retail margin on frozen foods generally averages just less than 22 percent.

Home Delivery Takes Hold

A new form of marketing—direct home sales service specializing in frozen foods—has been introduced in West Germany in recent years with considerable success.

The firm which started the service and reportedly holds an 80-percent marketing share of all home delivery sales of frozen foods is Fa. Eismann, headquartered in Mettmann in the Ruhr Valley. Most of the remaining share is held by Bofrost, headquartered in northwestern Germany.

This direct service regularly supplies an estimated 2 to 2.5 million households located primarily in suburban and rural areas. In 1984, the total value of frozen foods marketed by door-to-door service firms was estimated at almost 20 percent of all frozen food sales. This share is expected to continue expanding.

Frozen Vegetable Imports Expand

Imports of frozen vegetables have shown an almost continuous increase since 1980. The largest increase has been in potato products. Frozen corn, certain potato products and smaller amounts of other vegetable products currently are shipped by the United States.

The rapid growth of the convenience food industry is due in part to the availability of relatively low-priced products from East bloc countries and members of the European Community.

Unlike the United States, European Community suppliers are not subject to tariffs or other border charges. State trading countries, on the other hand, can calculate export prices independent of cost or other marketing conditions. Both factors are instrumental in providing U.S. competitors with a decisive price advantage.

Frozen Fruits Show Moderate Trend

Imports of frozen fruits show a more moderate upward trend. For 1986, a limited increase in import shipments of all frozen fruits is expected.

Much of the imported frozen fruit is used by jam processors as well as makers of fruit yogurts and similar products. A limited portion is used by the ice cream and chocolate industries.

As with frozen vegetables, East bloc countries are the largest suppliers of frozen fruits. At present, the United States supplies only frozen blueberries and cranberries and limited quantities of other non-identified fruit.

U.S. Marketing Opportunities

With the exception of frozen corn, there are only limited opportunities for the U.S. industry to sell frozen vegetables not further processed. This also applies to fruits, with the exception of blueberries, cranberries, melon and pineapple pieces.

Last year, however, a severe shortage of blackberries in Europe enhanced the opportunity for shipping U.S. frozen blackberries to West Germany.

Generally speaking, new-to-market convenience items stand the greatest chance of entering the German market. Market research and intensive follow-up promotional activities could brighten the prospects for U.S. sales of further processed foods such as frozen meatless meals and Mexican-style specialties, which are not common in West Germany.

Marketing of complete meals containing meat is hindered because the product must be supplied by U.S. meat processing plants specifically approved for shipping products to Germany. ■

The author is an agricultural specialist in the Office of the U.S. Agricultural Counselor in Bonn, West Germany.



U.S. Variety Meats— Tops on French Tables

By Leslie Ross

Look at a menu in almost any French restaurant and you can find such delicacies as ris de veau (veal sweetbreads), cervelles braisees (braised calf brains) and langue de veau ravigotte (hot veal tongue). But while the cuisine may be continental, the main ingredients may very likely be of U.S. origin.

France is one of the largest markets for U.S. variety meat exports, according to a recent study prepared for the U.S. Meat Export Federation.

In general, almost half of total French variety meat imports of approximately 75,000 tons come from the United States, according to the study. France is a big market for such U.S. variety meats as liver, brain, kidneys, tripe and tongue.

In 1985, 19 percent of all U.S. beef variety meat exports and 12 percent of pork variety meat exports were headed for French tables.

French Production Is Small

The French must rely on imports for over half of their variety meat consumption. Slaughter capacity in France is small, with the average abattoir (slaughterhouse) processing only 45,000 animals a year. This small volume provides no incentive for slaughterers to keep variety meats for sale to processors. Hence the need to import.

Variety meats are important items in the French diet, making up to 15 percent of the total volume of meat marketed annually.

U.S. Variety Meats Have Good Image

U.S. variety meats currently enjoy a good reputation among French importers and wholesalers because of the volume that the United States is able to provide and the high quality and consistency of the product.



Abats en provenance des Etats-Unis Pour des consommateurs exigeants:



Langue de boeuf



Coeur de boeuf



In France, the traditional retail outlet for variety meats has been the local butcher and tripe retailer. In 1983, these outlets sold 66,000 tons of variety meats. But these outlets are declining in number as more and more French consumers shop in supermarkets, hypermarkets and superettes.

These large outlets sold 108,000 tons of variety meats in 1983 and their percentage of the trade is increasing.

However, there is a paradox at the retail level because even though the French are traditional consumers of variety meats, they have a poor image of the raw product. Preparation of variety meats is viewed as difficult and cooking as complex.

Most likely, variety meats are purchased in response to demands from family members and as a perceived health benefit for children. Variety meats are usually purchased one to four times a month, depending on the buyer's age and social level.

Some 40,000 tons of variety meats were marketed through hotels, restaurants and institutional channels

in 1983. While variety meats are viewed as a delicacy by hotels and restaurants, they have a poor image in the institutional trade and are viewed as "cheap" food.

To increase the U.S. share of French variety meat imports, the U.S. Meat Export Federation report recommends concentrating marketing efforts in supermarkets and hypermarkets, which have been expanding tremendously in recent years.

These two markets are attracting increasing numbers of French shoppers with low prices and attractive packaging. A recent increase in consumer-ready products featuring variety meats may also give an added boost to variety meat consumption. ■

The author is director of market research, U.S. Meat Export Federation, Denver. Tel. (303) 399-7151.



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